

Payment Solutions Frequently Asked Questions



What are Payment Solutions?

Microsoft Financing helps partners grow their business by offering flexible payment solutions that provide value to your customers, accelerate cash flow, and drive profitable revenue growth. For customers, Payment Solutions help facilitate adoption of Microsoft's *Mobile First, Cloud First* solutions with flexible payment options designed to address their business and financial requirements.

With Payment Solutions, you help your customers obtain the IT solutions they need, while you benefit from increased deal sizes and shortened sales cycles.

- ▶ **Simplify cloud adoption:** fund all aspects of the cloud solution, including hardware, software and services.
- ▶ **Provide Payment Flexibility:** offer payment structures tailored to meet specific project or revenue generation milestones.
- ▶ **Drive Profitable Sales:** preserve price points and maximise your customer's IT spend, while meeting their budgetary and cash flow requirements.

Microsoft works with third-party financing providers to make it easier for credit-approved customers to purchase Microsoft products and services under the Microsoft Financing program.

Where are Payment Solutions available?

- ▶ **Asia Pacific:** Australia, Japan, and New Zealand
- ▶ **Europe, the Middle East, and Africa:** Belgium, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, and the United Kingdom
- ▶ **Latin America:** Brazil
- ▶ **North America:** Canada and United States



What are the available payment options?



Structured periodic payments

Consolidate all aspects of your IT project, including software and services, into a single, predictable payment structure – on a monthly, quarterly, semi-annual, or custom basis.



Ramped payments

Closely match the expense of an IT investment with the benefits realised. Ideal for staged deployments – pay only the planned amount for each year.



Deferred payments

Defer payments for up to six months and plan your deployment. Pay when your infrastructure is in place and/or your budget becomes available.



Customised payment options

Align tech spend with budget, cash flow, and deployment schedules. Our Payment Solutions Specialists can help you structure a program to accomplish your IT goals while meeting financial and budget requirements.



Total Solution Financing

Need to invest in new hardware, software, and services, including non-Microsoft products? This covers it all.



Add products and services

Include new software purchases, True-Ups, or additional services in an existing Payment Solutions agreement through a convenient one-step process, subject to credit approval.

How Payment Solutions work

<p>How do partners sign up to offer Payment Solutions?</p>	<p>You should visit the Get Started section of the Microsoft Financing Program Partner website. Please note that you will need a Microsoft Account plus Microsoft Partner Network membership – if you do not already have these, you'll find links to apply for them in the Get Started section.</p>
<p>How do partners get paid when they use Payment Solutions?</p>	<p>Microsoft partners are paid for their services and solutions once the financing documents are fully executed. Larger services engagements over a prolonged time frame are usually paid as the services are performed.</p>
<p>When is the best time to introduce Payment Solutions?</p>	<p>At the start of the deal, subject to customer credit approval – this way, you help prevent delays and ensure the deal process goes as smoothly as possible.</p>
<p>Can Payment Solutions cover non-Microsoft products and/or IT Services?</p>	<p>Yes, as long as Microsoft software is part of the solution and the 10% minimum Microsoft content requirements are met. Conditions for the inclusion of IT services may vary by country and financing provider.</p>
<p>What is considered “Microsoft content”?</p>	<ul style="list-style-type: none"> • Purchases made under a Microsoft Volume Licensing Agreement • Microsoft direct invoiced products, services and hardware (e.g. Forefront, Virtual Earth, Amalga, etc.) • Indirectly invoiced Microsoft products and services (WMED, Retail packaged product, Microsoft Hardware, e.g. Surface) • Dynamics products including AX, GP, NAV, POS, SL, Snap, FRx, Forecaster, CRM, RMS, and related Enhancement • All Microsoft Online Services which are billed monthly by Microsoft and not financed but which shall be included in the calculation of Microsoft content based on a 12X multiple of the initial monthly Online Services revenue • Microsoft Services including Microsoft Consulting Services and Premier Support Services & Support (“Microsoft Services”) • All sales tax and VAT tax associated with the financed product or services are considered Microsoft content
<p>Can additional products and services be added after the initial purchase?</p>	<p>Yes. New software purchases, True-Ups, or additional services can be added to the agreement at any time. These are convenient to add, and spread the costs of the software over an extended period of time, preserving capital resources for other investments and business priorities. Additional credit approval may be required.</p>
<p>Will down payments be required?</p>	<p>There is generally no requirement for down payments.</p>



Payment terms



<p>What is the interest rate for Payment Solutions?</p>	<p>Interest rates are competitive and determined by the term and size of the contract, plus customer credit status. The rate is then fixed for the duration of the agreement for easy budgeting. To calculate indicative payments for a given credit amount, visit the Microsoft Financing Partner website.</p>
<p>Is there a maximum or minimum transaction size?</p>	<p>There is no pre-established maximum or credit limit. Your customers can apply for any amount necessary to finance the entire solution as long as it exceeds the minimum transaction size. Minimum financing amounts vary by country. More information can be found at www.microsoftfinancing.com, and by referring to the individual program for the country of interest.</p>

Who is eligible for Payment Solutions?

What are the Qualification Guidelines?

Payment Solutions are available to both commercial and public sector customers. Commercial customers must be in business a minimum of three years, with an established credit history and multiple trade lines showing comparable debt and positive payment history.

Financing providers within the Microsoft Financing program approve or reject credit applications at their sole discretion.

Companies could potentially be declined due to negative trends, which may include:

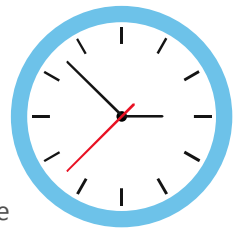
- Consecutive years of losses or a history of losses from operations.
- Negative cash flow from operations; inability to cover loan payments from cash flow.
- Negative tangible net worth (liabilities exceed tangible assets) and/or high leverage (liabilities over assets is high).
- History of slow payments, defaults (non-payment), tax liens, judgments or bankruptcy for either the company or the primary owners.
- A going concern statement in the company's audited financial statements.

Exceptions will be considered if there is a business rationale for deviating from these guidelines. Exceptions include:

- Recent events that would reduce the risk (i.e. major investment in the company, sale of unprofitable division, etc.)
- A credit enhancement (Guarantor, Bank Letter of Credit, Deposit) is provided by an acceptable source.

How long will it take for applications to be approved?

It is recommended to initiate the funding process earlier in the deal to ensure there are no delays with the deal. After the completed application and associated documents are received, a credit decision will generally be communicated on the same or next business day to the partner servicing the deal. Larger deals often require more time for approval. In any case, partners receive notification regarding the transaction within 24 hours.



What will happen if a customer is delinquent or defaults in making a payment?

If a customer is delayed in making a payment, they may be charged a late fee. The financing provider will take appropriate legal action in cases of customer default.

Online resources



For partners: www.microsoftfinancing.com

For customers: www.microsoft.com/paymentsolutions

For more information contact your Partner Solution Executive (PSE) or your local Payment Solutions Specialist (PSS): MSFinUK@microsoft.com

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